



DEPARTMENT OF NATURAL RESOURCES

*FY 2013-14 Budget Amendment
January 25, 2013*

*John W. Hickenlooper
Governor*

*Mike King
Executive Director*

Signature

Date

***Department Priority: BA-1
Hazardous Fuels Reduction Grant Program***

Summary of Incremental Funding Change for FY 2013-14	Total Funds	General Fund
Hazardous Fuels Reduction Grant Program	\$10,326,842	\$10,326,842

Request Summary:

The Department of Natural Resources requests a one-time, \$10,326,842 General Fund appropriation into the Healthy Forests and Vibrant Communities fund in order to establish a Hazardous Fuels Reduction Grant Program aimed at limiting the potential risk for damage to property, infrastructure, and other high-valued assets as a result of wildfire.

Problem or Opportunity:

The 2012 fire season has served as a tragic reminder of the dangers faced by the many Colorado communities that exist in the interface between urban and wildland areas. To best protect communities from damaging and deadly wildfires, it is critically important to invest in measures that temper the probability of fires spreading uncontrollably into these urban-wildland interface zones. The upgraded December 2012 General Fund revenue forecast has given the State an opportunity to make a substantial investment in this area.

Brief Background:

The wildfires that ravaged so many of Colorado's communities during 2012 proved to be among the most damaging and costly in Colorado's history. The proliferation of fires that burned in more

populous areas demonstrated the dangers that occur as urban areas expand into wooded regions of the State. Individuals and families that settle in areas that allow them to enjoy the unique majesty of Colorado's natural landscape often face the greatest risk of catastrophic loss due to wildfire. For years, Colorado's municipal, county, and state governments have recognized the risks inherent in these wildland-urban interface communities, and have taken steps to minimize the risks to their homeowners. The State, while providing aid and guidance in risk mitigation to these communities, has never made a large-scale investment in helping to assist actions that limit the probability of wildfires spreading into populated areas.

The Department believes an up-front investment to help minimize the risks faced by these communities can ultimately lead to a reduction in the potential costs associated with fighting wildfires that spread uncontrollably into them.

As of late January, 2013, the statewide snowpack levels continue to remain concerning. Statewide, the snowpack levels are at 62% of their normal levels for this time of year (lagging behind the snowpack levels at this time last year). All of the river basins in the State are being affected, with

snowpack ranging from a low of 54% in the Arkansas River Basin to a high of 65% in the Yampa River Basin. Given the early warning signs that 2013 may be another bad fire season, providing funding to reduce the potential risks associated with wildfires in the urban-wildland interface zones is both timely and necessary.

Proposed Solution:

The Department proposes an \$10,326,842 Colorado Hazardous Fuels Reduction Grant Program, through which dollars will be leveraged with matching funds from applicants. Focusing on the Wildland-Urban interface, the applicants will need to demonstrate that the lands they will treat have been identified as being at high risk for wildfire that has the potential to damage property infrastructure and other high valued assets and watersheds.

Anticipated Outcomes:

Eligibility for this matching grant program will be limited to:

- Communities within or adjacent to the Wildland-Urban Interface;
- Utilities with infrastructure and/or land in forested areas;
- State agencies with lands at high risk for fire (such as the Colorado State Forest Service, the State Land Board, the Division of Parks and Wildlife, and others); and
- Non-profit groups working in partnership with federal agencies on fuels treatment projects on public lands.

Using the wildland/urban interface (or “red-zone”) map that identifies areas of high wildfire risk to people and property around the state, priority for grant awards will be driven primarily by geography, but also by the values of protecting homes, communities, utilities, and watersheds.

All grants issued through this program will come with a required 100% match. In this way, \$10.3 million in General Fund will become at least \$20.6 million worth of work on the ground. The match may be in the form of dollars or in-kind

support for the project. Ideally, the money requested for the program will be spent as quickly as possible in order to create a measurable impact in wildland-urban interface communities. It is likely, however, that full expenditure of this \$10,326,842 investment will take between 2 and 4 years.

It is also envisioned that this grant program may help address the unmet need for small capacity-building grants for collaborative forestry groups that have a proven track record of on-the-ground work. For example, neighborhoods that want to set up slash programs to encourage homeowners to reduce combustible fuels around their properties may require start-up money, and this grant program could serve as a vehicle to enable them.

To administer this grant program, the Department expects that the Governor will issue a proclamation or executive order directing DNR to establish parameters for accepting, reviewing, and awarding grants. Though the details of how the Department will administer this program remain under development, DNR anticipates the creation of a committee to identify clear eligibility criteria for applicants, issue a notice of funds available through the program to local communities, develop a process for assessing the merits of grant applications, and review and approve applications received. The Department will also provide post-award monitoring in order to ensure the proper use of funds and demonstrate the results of the program.

Consequences if not Funded:

Without the grant program, local communities will continue to struggle to find the funds necessary to mitigate the risk of catastrophic loss in wildland-urban interface areas.

Supplemental, 1331 Supplemental, or Budget Amendment Criteria:

The availability of General Fund revenue for a program of this magnitude was unknown at the time of the November 1, 2012 budget submission.